

Local Government Investment Pool

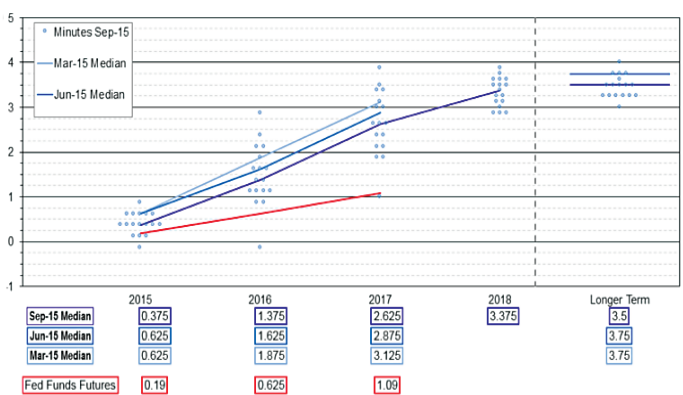
TheNEWS

What You Need to Know About Local Government Investment Pools

Change is constant in the LGIP space. Here is what we think you should know about local government investment pools in general, and TrustINDiana in particular.

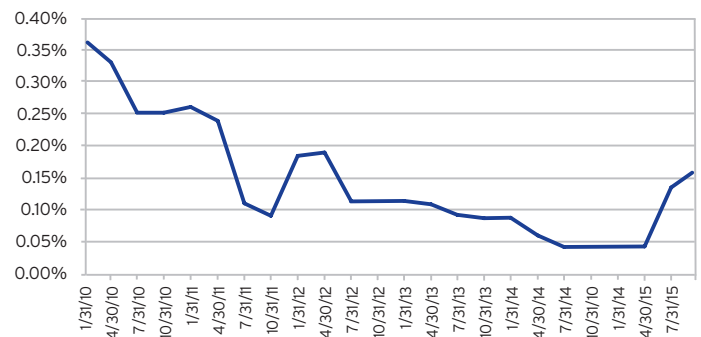
Still All about the Fed?

Were you amongst the optimists who thought the Federal Open Market Committee (FOMC) would make their interest rate move back in March? If so, then surely you became convinced it was coming in September. Let down twice (or more) by our central bankers, now you are not sure when, or if, an interest rate increase will ever happen. We get it, budget planning is tough enough without the uncertainty surrounding interest rates and when the Fed might execute a 25 basis point increase in the fed funds target rate. Need more guidance? Let us help, here is the latest Dot Plot in advance of the October 25th FOMC meeting.



Want some good news? We have some for you, LGIP rates have been increasing. Granted not at a 50-100 annualized basis points clip, but incrementally TrustINDiana rates are slowly approaching rates near the 2010 level.

TrustINDiana Average Monthly Yield (2010 - September 2015)



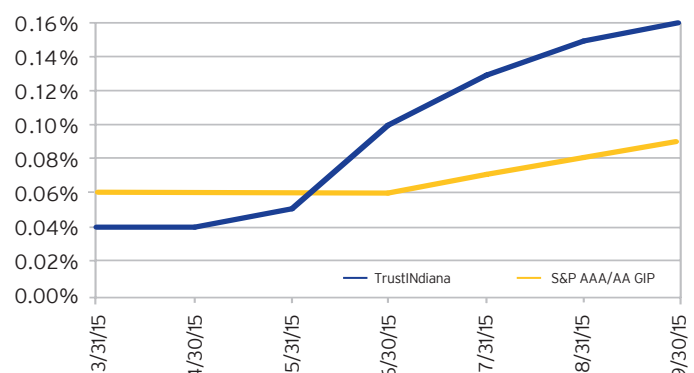
Public Trust Advisors, LLC took over the management and advisory services effective May 1, 2015. All data prior to this date is from the previous Investment Advisor. As both Investment Advisors adhered to the investment policy there may be variances in yield, weighted average maturities and portfolio composition due to differing investment style.

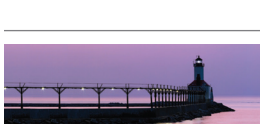
These returns are nowhere near the pre-Great Recession yields, for that to happen, we need the FOMC to re-set the target rate. So it seems it is all about the Fed when it comes to LGIP yields.

More Efficient LGIP Operations = Better Yields?

Interest rates are creeping up and somewhat more pronounced for some LGIP programs. As an example, in

TrustINDiana vs S&P AAA/AA GIP* (30 Day Avg Yields)





TheNEWS (Cont.)

the chart above we showed you the movement in the TrustINDiana yields over the past five years. Here is how TrustINDiana is performing against peer pools in the Standard and Poor's LGIP Index.

Certainly portfolio management style and approach factor into TrustINDiana's better peer-to-peer performance. But another key element is the TrustINDiana's administrator's ability to operate with greater efficiency and maintain lower operating costs without sacrificing services (or safety). For more information on our administrator's approach to LGIP operational efficiency, read a recent [white paper](#). Essentially these savings allow our service provider to maintain a competitive management fee and better yields for our Participants.

Money Market Reform, Not for LGIPs

Money Market Reform, Not for LGIPs

The United States Securities and Exchange Commission (SEC) Money Market Reform, slated to go into effect on October 14, 2016 will largely constitute a non-factor for the LGIP space. Remember the SEC does not have purview over TrustINDiana. The vast majority of LGIPs, like TrustINDiana, are created and operate in accordance with state laws. True there may be similarities in structure, valuation procedures, permitted securities, reporting and oversight between SEC registered funds and LGIPs, but come next fall, LGIPs will not migrate to a floating net asset value, like prime-styled (credit exposure) SEC registered money market funds. Under the reform, government-styled (100% government securities) funds can opt out of the floating net asset value requirement.

Are local government investors that use registered money market funds ready for the accounting requirements and cash-management changes that the new rules bring? Not familiar with new SEC Money Market Rules, [read more here](#).

Just remember this, come next October, TrustINDiana will remain a stable dollar fund. Much in the LGIP world is changing, but not in this case.

Transparency: LGIPs Reflect Client-Base

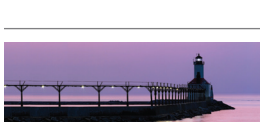
Transparency is a cornerstone of good government. TrustINDiana only serves local units of government and we need to operate in a manner that serves our clients' needs. Maybe you have not taken a moment to consider the level of reporting and transparency associated with TrustINDiana, well we have. Here is a quick, but important summary of the transparency-related reports available at www.trustindiana.in.gov and MYACCESS:

- Daily Rates
- Monthly Statements
- Portfolio Holdings
- Newsletters
- Monthly Fund Analysis
- Information Statements

We at TrustINDiana recognize that financial transparency plays a big part in the overall safety and security of your public funds. As an investor working on behalf of your community, it is essential that you receive a high quality service which can provide you with a variety of tools to assist in your daily responsibilities. You aren't allowed to keep secrets from your tax-payers, so TrustINDiana does not keep secrets from you!

Best regards,

Your TrustINDiana Staff



The **ECONOMY**

Lucy Pulls the Football from Charlie Brown

Heading into September's Federal Reserve (Fed) meeting, the markets anxiously awaited a potential increase in the federal funds target rate for the first time since 2006. Ultimately the Fed's decision was to stay put, referencing turbulence in the global markets and the stubbornly low level of inflation as reasons to defer. Compounding the Fed's inaction was Chair Janet Yellen's dovish tone during her press conference that followed the meeting. The market's reaction was to push off expectations for the first rate hike into early next year. Only time will tell if the Fed's current policy proves astute, but its inability to move off of zero has put the financial markets on edge.

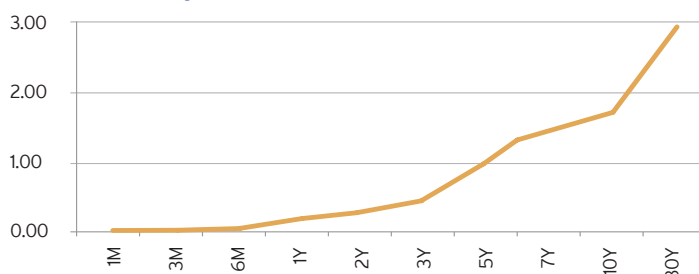
Relative to the rest of the world, the U.S. economy continues to thrive by growing a 3.9 percent annualized rate during the second quarter. Consumer spending and confidence remain solid, which bodes well for continued momentum for the remainder of the year. The Fed continues to acknowledge improvement in the labor market, which should theoretically stoke inflation as the slack in labor resources diminishes over time. However, Chair Yellen has also noted that headwinds from the stronger dollar and a weaker global economy may keep prices in check for some time.

Recently members of the Fed have come out to say that a rate hike will likely be appropriate by the end of the year. These proclamations have received a lukewarm response in the market, as they seem to go against the Fed's latest economic projections. While it's easy to understand why the Fed remains overly cautious in its approach, inaction is often interpreted as a lack of confidence and may restrict future growth.

Portfolio Strategy

Short-term rates continued to be well anchored by the Fed's zero interest target rate policy. However, we are preparing for the Fed to potentially lift rates before the end of the year. As always, we remain focused on safety, liquidity and then yield.

US Treasury Curve



Source: Bloomberg

Treasury Yields

MATURITY	9/30/15	8/31/15	CHANGE
3 Month	0.010%	0.060%	-0.050%
6 Month	0.040%	0.200%	-0.160%
1-Year	0.330%	0.350%	-0.020%

Source: Bloomberg

Agency Yields

MATURITY	9/30/15	8/31/15	CHANGE
3 Month	0.120%	0.150%	-0.030%
6 Month	0.190%	0.250%	-0.060%
1-Year	0.320%	0.390%	-0.070%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1)

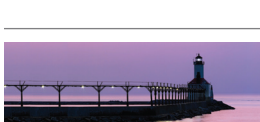
MATURITY	9/30/15	8/31/15	CHANGE
1 Month	0.210%	0.180%	0.030%
3 Month	0.280%	0.280%	0.000%
6 Month	0.460%	0.480%	-0.020%
9 Month	0.630%	0.620%	0.010%

Source: Bloomberg

Current Economic Releases

DATA	PERIOD	VALUE
GDP QoQ	Q2 '15	3.90%
US Unemployment	Aug '15	5.10%
ISM Manufacturing	Aug '15	51.1
PPI YoY	Aug '15	-2.90%
CPI YoY	Aug '15	0.20%
Fed Funds Target	Sept 17 '15	0 - 0.25%

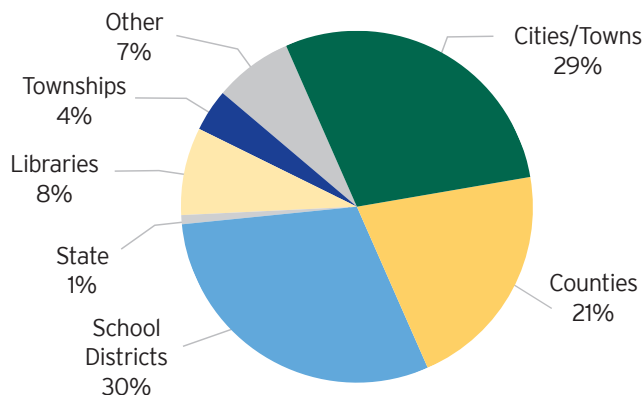
Source: Bloomberg



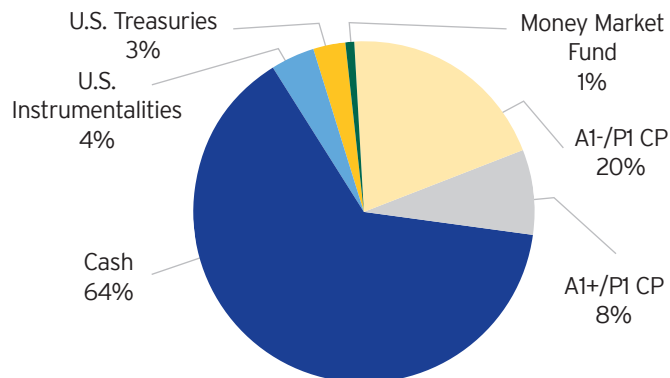
The **FUND**

Fund Highlights as of September 30, 2015 (Unaudited)

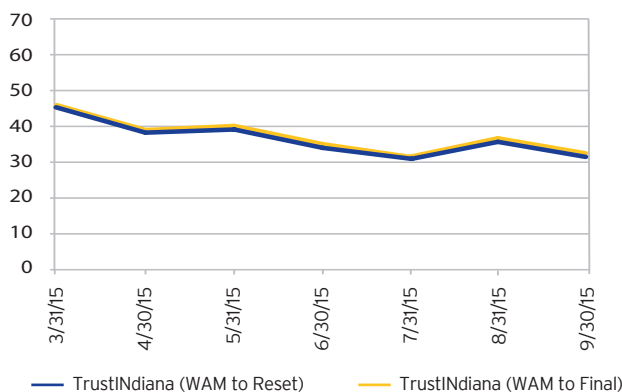
Participant Breakdown



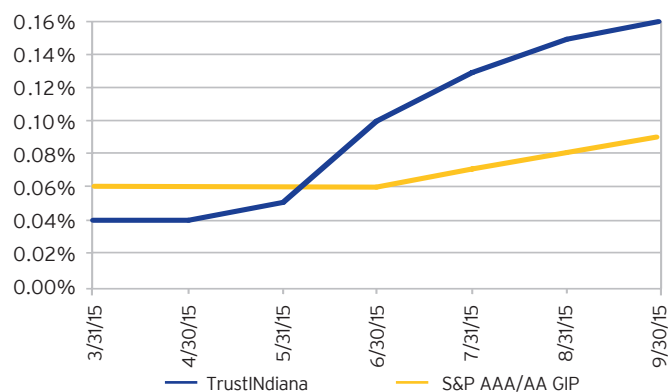
Portfolio Distribution



Weighted Average Maturity



TrustIndiana vs S&P AAA/AA GIP* (30 Day Avg Yields)



Month	Avg Daily Yields**	WAM (to Reset)***	NAV	Month Ending Net Assets
Jul-15	0.13%	31	1.00	\$517,775,633.16
Aug-15	0.15%	36	1.00	\$521,980,837.95
Sep-15	0.16%	31	1.00	\$517,813,443.21

** 30 day yield as of the last day of the month

*** As of the end of the last day of the month

Data Unaudited. All comments and discussion presented are purely based on opinion and assumptions, not fact, and these assumptions may or may not be correct based on foreseen and unforeseen events. The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Additionally, past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

*The benchmark, the S&P US AAA & AA Rated GIP All 30 Day Net Yield (LGIP30D) is a performance indicator of rated GIPs that maintain a stable net asset value of \$1.00 per share and is an unmanaged market index representative of the LGIP universe. The S&P benchmark utilized in this comparison is a composite of all rated stable net asset value pools. GIPs in the index include only those rated based on Standard & Poor's money market criteria. Pools rated 'AAA' provide excellent safety and a superior capacity to maintain principal value while those rated 'AA' offer very good safety and a strong capacity to maintain principal value (Source: Standard & Poor's website.) The comparison between this index and the portfolio may differ in holdings, duration and percentage composition of each holding. Such differences may account for variances in yield.